

THIS LEASE made and entered into this ____ day of February, 2002, by the COUNTY OF YORK, VIRGINIA, a political subdivision organized and existing under the laws of the Commonwealth of Virginia, hereinafter sometimes referred to as "Lessor," and the INDUSTRIAL DEVELOPMENT AUTHORITY OF YORK COUNTY, VIRGINIA, a political subdivision organized pursuant to the Virginia Industrial Development and Revenue Bond Act, hereinafter sometimes referred to as "Lessee."

W I T N E S S E T H :

1. That in consideration of the rent hereinafter reserved and of the covenants hereinafter contained, the Lessor does hereby lease to the Lessee and the Lessee does hereby take and hire from the Lessor approximately _____ square feet of space (herein referred to as "leased premises"), located at _____ Water Street, Yorktown, Virginia, together with the restaurant building and parking lots located thereon, and which leased premises are more particularly shown on a plan marked Exhibit A, attached hereto and made a part of this lease.

2. The leased premises shall be used by the Lessee for the operation of a restaurant, and for no other purpose.

3. The term of the said lease shall be for two (2) years, commencing on February ____, 2002, and terminating February ____, 2004, unless sooner terminated as set out below.

Following the expiration of the initial two-year term of this lease, the term shall continue month-to-month, unless either party shall provide the other party

with at least thirty (30) days' written notice that this lease shall expire as of the end of the initial term, or as of the end of any month thereafter.

4. The Lessee hereby covenants and agrees to pay during the first two (2) year term of this lease rent in the amount of _____ Dollars (\$_____) per annum, payable in equal monthly installments of \$_____ each, prorated for partial months, in advance on the first day of each calendar month during said term, commencing on March 1, 2002. Payment for the partial month of February, 2002, shall be due on the commencement date of this lease agreement.

5. Lessee shall pay its own utility bills and arrange for the commencement of all such utility services. Lessor shall maintain and repair the heating, air conditioning, electrical and plumbing systems on the premises at its own cost and expense. The Lessee will furnish its own janitorial services, and will at all times keep its premises neat, clean, orderly and sanitary.

6. Lessee covenants to pay to the Lessor said rent during the term and until the possession of the leased premises is redelivered to the Lessor; to save the Lessor harmless and indemnified (but only to the extent allowed by law) from all loss, damage, liability, or expense of whatsoever kind incurred, suffered, or claimed by any person whomsoever, or to personal property, documents, records, monies, or goods, or to any property whatsoever by reason of the Lessee's negligence and to be answerable for all nuisances caused by the Lessee on the leased premises or in the building in which the same are located; not to suffer or

permit any trade or operation to be carried on or use made of the leased premises or to permit anything to be done in the leased premises or the building of which they form a part, which shall be disorderly, unlawful, noisy, or extra hazardous, or offensive, or injurious to or obstruct or interfere with the rights of other tenants and/or the public making use of said building; nor conflict with the fire laws or regulations from time to time established; or with any insurance policies upon said building or any part thereof or increase the danger of fire; nor affect or make void or voidable any insurance on said building or which may render any increase or extra premium payable for such insurance; or which shall be contrary to any law or ordinance, rule, or regulation from time to time established by any public authority.

7. Lessee shall carry comprehensive general liability insurance with respect to Lessee's use of the leased premises, in the minimum amount of \$1 million per occurrence, \$5 million in the aggregate, and shall name the Lessor, its officers, agents and employees, as an additional insured on such policy or policies. Upon request by the Lessor, Lessee shall provide a certificate of insurance evidencing such coverage.

8. The Lessee shall have no right to construct any improvements to or upon the leased premises without the consent of Lessor. All injury to the leased premises or to the building of which they are a part, caused by the construction of said improvements or by the moving of the property of the Lessee into or out of the said premises or the said building, and all breakage done by the Lessee or the

agent, servants, or employees of the Lessee shall be repaired by the Lessee at its own expense. In the event that the Lessee shall fail to do so, within a reasonable time, then the Lessor shall have the right to make such necessary repairs, alterations, and replacements (structural, non-structural or otherwise) and any reasonable charge or cost so incurred by the Lessor shall be paid by the Lessee with the right on the part of the Lessor to elect in its discretion to regard the same as additional rent, in which event such costs or charges shall become additional rent payable with the installment of rent next becoming due or thereafter falling due under the terms of this lease. This provision shall be construed as an additional remedy granted to the Lessor and not in limitation of any other rights and remedies which the Lessor has or may have in said circumstances.

9. Lessee covenants not to assign this lease nor sublet the leased premises or any portion thereof, or transfer possession or occupancy thereof to any person, firm, or corporation without the written consent of the Lessor. Nonetheless, Lessee may sublease the leased premises to Nick's Seafood Pavilion, Incorporated, on such terms and conditions as Lessee shall determine.

10. Lessee covenants at the termination of this lease to remove all of its property and effects from the leased premises and to yield up to the Lessor the leased premises in good repair, order, and condition in all respects; reasonable wear and use thereof and damage by fire or other casualty not caused by the Lessee's act or negligence, only, excepted.

11. All of the foregoing covenants of the Lessee shall be in force without demand or notice during said term and for such further time as the Lessee or any person or persons claiming under the Lessee shall hold the leased premises.

12. The Lessor hereby designates the Department of Financial and Management Services, P. O. Box 532, Yorktown, Virginia, 23690, as the agent of the Lessor for the collection of rents and directs that payment of all rents to accrue hereunder shall be made by the Lessee to such agent. Any and all notices, requests, or demands given or required to be given under this lease shall, except as otherwise expressly provided herein, be in writing and mailed by registered or certified mail, postage prepaid, to the aforesaid Department of Financial and Management Services.

13. This lease is made on condition that if the leased premises or any part thereof be damaged or destroyed by fire or other casualty from any cause other than the act or neglect of the Lessee so as to render said premises and/or approaches unfit for use and occupancy, a just and proportionate part of the rent according to the nature and extent of the injury to said premises and/or approaches shall be suspended and abated until said premises and approaches shall have been put in as good conditions for use and occupancy as at the time of such damage or destruction; but if such damage or destruction shall have been caused by the act or neglect of the Lessee, or Lessee's subtenant, it shall not be entitled to any such abatement of rent. In any event, however, the Lessor will proceed at its expense and as expeditiously as may be practicable to repair the damage, unless because of

the substantial extent of the damage or destruction the Lessor should decide within ninety (90) days after such damage or destruction not to repair or restore the leased premises or the building, in which event and at the Lessor's sole option, the Lessor may within the said 90 days terminate this lease forthwith by giving the Lessee a written notice of its intention to terminate. No compensation or claim for diminution of rent will be allowed or paid by the Lessor by reason of inconvenience, annoyance, or injury to business arising from the necessity of repairing the demised property or any portion of the building of which they are a part, however the necessity may occur.

14. In the event that the demised premises or any portion thereof or the approaches thereto shall be taken or condemned in whole or in part for public purposes and the operation of the restaurant is materially affected thereby, then the Lessee may at its option terminate the within lease upon sixty (60) days notice to the Lessor of its intention so to do.

15. Lessor shall keep and maintain the roof, structure and exterior of the building and all fixtures and all common areas of the building in good functional order and repair.

16. The Lessee shall have the right to place and maintain signs on the exterior of the leased premises in accordance with the appropriate ordinances of the County of York.

17. The Lessee shall be liable for and shall pay all taxes and assessments, if any, including leasehold taxes, which are properly levied or

imposed upon the Lessee by law or ordinance; and the Lessee expressly covenants and agrees to indemnify and to save and hold harmless the Lessor from any and all claims, demands or liens on account, or arising out of any tax liability or liabilities of said Lessee, of any kind.

18. It shall be the responsibility of the Lessee, or Lessee's subtenant, to obtain or keep in force any and all certificates and permits necessary for the occupation of the leased premises and for the operation of a restaurant thereupon.

19. It is agreed that all rights, remedies and liabilities herein given to or imposed upon either of the parties hereto shall extend to their respective successors and assigns.

COUNTY OF YORK, VIRGINIA

By _____
County Administrator

Approved as to form:

County Attorney

INDUSTRIAL DEVELOPMENT
AUTHORITY OF YORK COUNTY,
VIRGINIA

By_____

Title_____

ATTEST:

COMMONWEALTH OF VIRGINIA

COUNTY OF YORK, to-wit:

The foregoing instrument was acknowledged before me this ____ day of
February, 2002, by James O. McReynolds, County Administrator.

Notary Public

My commission expires: _____

COMMONWEALTH OF VIRGINIA

COUNTY OF YORK, to-wit:

The foregoing instrument was acknowledged before me this ____ day of February, 2002, by _____ and _____, _____ and _____, respectively, of the Industrial Development Authority of York County, Virginia.

Notary Public

My commission expires: _____